NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY NSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

roducers 88 (4-89) — Paid Up Vith 640 Acres Pooling Provision TANDARD LEASE v.5

PAID UP OIL AND GAS LEASE (No Surface Use)

| (No Surface Use) | | | | |
|--|--|--|---|--|
| THIS LEASE AGREEMENT is made this 18 | day of | June. | 200 | 08, by and between |
| 11 1 | vidowe | | | |
| whose addresss is 4208 Heather Tr. | ail, Fort | Worth | Texas 76/19 | as Lessor, |
| and, <u>DALE PROPERTY SERVICES, L.L.C., 2100 Ross Aversinabove</u> named as Lessee, but all other provisions (inclu | enue, Suite 1870 | Dallas Texas 752 | 201, as Lessee. All printed portion were prepared jointly by Lessot an | s of this lease were prepared by the party |
| 1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following tescribed land, hereinafter called leased premises: | | | | |
| out of the second second profite second seco | | | | |
| JE ACRES OF LAND, MORE OR LES | S, BEING LOT | (S) | <i>i</i> | , вlоск <u>Зо</u> |
| OUT OF THE Ryan Southeast | Add + 160 | VOLINITY TEX | ADDITION, A | AN ADDITION TO THE CITY OF |
| N VOLUME 388 , PAGE | _, TARRANT C | OF THE | PLAT RECORDS OF TAR | RANT COUNTY, TEXAS. |
| | | | | |
| in the County of <u>Tarrant</u> , State of TEXAS, containing | <i>161</i> gr | oss acres, more o | less (including any Interests there | in which Lessor may hereafter acquire by |
| reversion, prescription or otherwise), for the purpose of exp substances produced in association therewith (including g | reophysical/selsmic | c operations). Th | e term "gas" as used herein Inc | ludes helium, carbon dioxide and other |
| commercial gases, as well as hydrocarbon gases. In addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, | | | | |
| Lessor agrees to execute at Lessee's request any additional of determining the amount of any shut-in royalties hereunder, | or supplemental in: , the number of gro | struments for a mo iss acres above sp | re complete or accurate description ecified shall be deemed correct, when | n of the land so covered. For the purpose lether actually more or less. |
| 2. This lease, which is a "paid-up" lease requiring no r | | • | d1 - 8 |)years from the date hereof, and for |
| as long thereafter as oil or gas or other substances covered : | hereby are produce | ed in paying quant | ities from the leased premises or fr | orn lands pooled therewith or this lease is |
| otherwise maintained in effect pursuant to the provisions here 3. Royaltles on oil, gas and other substances produce | ed and saved here | under shall be pai | d by Lessee to Lessor as follows: | (a) For oil and other liquid hydrocarbons |
| separated at Lessee's separator facilities, the royalty shall be free type for the separator facilities, the royalty shall be free type for the separator facilities, the royalty shall be free type for the separator facilities, provided that Lessee shall have the continuing right to purchase such production at | | | | |
| the wellhead market price then prevailing in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) for production of similar grade and gravity; (b) for gas (including casing head gas) and all other substances covered hereby, the royalty shall be | | | | |
| Twenty five (25 %) of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise taxes and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances, provided that | | | | |
| Lessee shall have the continuing right to purchase such production at the prevailing wellhead market price paid for production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price) pursuant to comparable purchase contracts entered into on | | | | |
| the same or nearest preceding date as the date on which Lessee commences its purchases hereunder, and (c) if at the end of the primary term or any time thereafter one or more wells on the leased premises or lands pooled therewith are capable of either producing oil or gas or other substances covered hereby in paying quantities or such wells | | | | |
| are waiting on hydraulic fracture stimulation, but such well or wells are either shut-in or production there from is not being sold by Lessee, such well or wells shall nevertheless be deemed to be producing in paying quantities for the purpose of maintaining this lease. If for a period of 90 consecutive days such well or wells are shut-in or production | | | | |
| there from is not being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar per acre then covered by this lease, such payment to be made to Lessor or to Lessor's credit in the depository designated below, on or before the end of said 90-day period and thereafter on or before each anniversary of the end of said 90-day period | | | | |
| while the well or wells are shut-in or production there from is | not being sold by | Lessee: provided t | hat If this lease is otherwise being | maintained by operations, or if production |
| is being sold by Lessee from another well or wells on the le following cessation of such operations or production. Lesse | eased premises or lee's failure to prope | iands pooled there arly pay shut-in ro | ewith, no shut-in royalty shall be di valty shall render Lessee liable for | the amount due, but shall not operate to |
| terminate this lease. 4. All shut-in royalty payments under this lease shall be | o paid or lendered | i to Lessor or to Le | essor's credit in <u>at lessor's addre</u> | ss above or its successors, which shall |
| be Lessor's depository agent for receiving payments regardle draft and such payments or tenders to Lessor or to the depo | sitory by deposit in | n the US Mails in a | stamped envelope addressed to | the depository or to the Lessor at the last |
| address known to Lessee shall constitute proper payment. I payment hereunder, Lessor shall, at Lessee's request, delive | If the depository sher to Lessee a prope | ould liquidate or b er recordable instr | e succeeded by another institution ument naming another institution as | or for any reason fail or refuse to accept depository agent to receive payments. |
| Except as provided for In Paragraph 3, above, if Le premises or lands pooled therewith, or if all production (wt | ssee drills a well w | hich is incapable o | of producing in paying quantities (h | ereinafter called "dry hole") on the leased |
| pursuant to the provisions of Paragraph 6 or the action on nevertheless remain in force if Lessee commences operation | f any governmenta | al authority, then | in the event this lease is not oth | erwise being maintained in force it shall |
| on the leased premises or lands pooled therewith within 90 of the end of the primary term, or at any time thereafter, this | lays after completion | on of operations of | n such dry hole or within 90 days a | fter such cessation of all production. If at |
| operations reasonably calculated to obtain or restore product no cessation of more than 90 consecutive days, and if any | tion therefrom, this | lease shall remain | i în force so long as any one or mo | re of such operations are prosecuted with |
| there is production in paying quantities from the leased pren | nises or lands pool | led therewith. Afte | er completion of a well capable of | producing in paying quantities hereunder, |
| Lessee shall drill such additional wells on the leased premise to (a) develop the leased premises as to formations then collected the collected and the coll | apable of producin | g in paying quanti | ties on the leased premises or lar | ds pooled therewith, or (b) to protect the |
| leased premises from uncompensated drainage by any well additional wells except as expressly provided berein | or wells located or | n other lands not p | ooled therewith. There shall be no | covenant to drill exploratory wells or any |

leased premises from uncompensated drainage by any well or wells located on other fands not pooled therewith. There shall be no covenant to drill exploratory wells or any additional wells except as expressly provided herein.

6. Lesses shall have the right but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lesses deems it necessary or proper to do so in order to prudently develop or operate the leased premises, whether or not similar pooling authority exists with respect to such other lands or interests. The unit formed by such pooling for an oil well which is not a horizontal completion shall not exceed 840 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or horizontal completion shall not exceed 640 acres plus a maximum acreage tolerance of 10%, provided that a larger unit may be formed for an oil well or gas well or horizontal completion to conform to any well spacing or density pattern that may be prescribed or permitted by any governmental authority having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed by applicable law or the appropriate governmental authority, or, if no definition is so prescribed, "oil well" means a well with an initial gas-oil ratio of 100,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing onditions using standard lease separator facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in facilities or equivalent testing equipment; and the term "horizontal completion" means an oil well in which the horizontal component of the gross completion interval in the re

7. If Lessor owns less than the full mineral estate in all or any part of the leased premises, the royalties and shut-in royalties payable hereunder for any well on any part of the leased premises or lands pooled therewith shall be reduced to the proportion that Lessor's interest in such part of the leased premises bears to the full mineral estate in

uch part of the leased premises.

B. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the ghts and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's wnership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days whership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days fter Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or ntil Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties ereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more ersons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or eparately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter rising with respect to the transferred interest, and failure of the transferred to satisfy such obligations with respect to the transferred interest shall not affect the rights of essee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to ay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or ten

accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in rimary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be assonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, anks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, tore, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, xcept water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted erein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any their lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in miting, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased remises or such other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements ow on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, quipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. L

ow on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall nave the light at any timbe to reintow its intuities, quipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority eaving jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, reduction or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, rater, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain necessary permits, equipment, services, material, rater, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain necessary permits, equipment, services, material, rater, electricity, fuel, access or easements, or by inability to obtain necessary permits, equipment, services, material, rater, and the research or adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain necessary permits, equipment, services, material, rater, electricity, fuel, and strike or labor disputes, or by inability to obtain necessary permits, equipment, services, material, rater, electricity, fuel, electricity, including in the notice, shall have the prior and preferred right and other pertue

This instrument was acknowledged before me on the

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee's option may pay and discharge any taxes, nortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event essee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until essee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original

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ISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and nay vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or lifferent terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

N WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's elrs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

ESSOR (WHETHER ONE OR MORE) 7-1 Unil Solon-BY: HARLIE GREEN By: **ACKNOWLEDGMENT** STATE OF **COUNTY OF** JNTY OF Tagrant
This instrument was acknowledged before me on the day of 2008. Green a widowe JASON SCOTT Notary Public, State of Tex 45 **Notary Public** Notary's name (printed): 25 500 500 t Notary's commission expires: 4//7//2 STATE OF TEXAS My Comm. Exp. Apr. 17, 2012 STATE OF COUNTY OF

day of



DALE RESOURCES 3000 ALTA MESA BLVD, STE 300

FT WORTH

TX 76133

Submitter: DALE RESOURCES LLC

SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

<u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

\$20.00

Filed For Registration: 07/29/2008 10:24 AM Instrument #: D208294000
LSE 3 PGS

D208294000

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